

New law could enhance more than just teachers' pensions

■ School board weighs seeking \$13 million for a plan that would give more to supporting service workers

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County school officials are considering sweetening the state's new pension plan by asking the County Council to provide \$13 million more for teachers' and supporting service workers' pensions.

If approved, the enhanced package could give the county an advantage in the highly competitive game of attracting quality teachers and other school employees.

Montgomery County is the only county in the state that provides an add-on to the state pension for its 21,000 school system employees.

"We just had the National Teacher of the Year," said Sue DeGraba, the county school system's chief financial officer. "We want to attract and keep those quality people."

The county's existing pension supplement adds between 8 percent and 9 percent of the state benefit to teacher pensions, DeGraba said. The new proposal could raise that add-on to about 10 percent.

On April 25, Gov. Robert L. Ehrlich Jr. (R) signed into law a \$120 million plan that will enhance pensions for teachers and state employees. The plan boosts the multiplier, which is applied to employees' final average salary in order to calculate their pension, from 1.4 percent to 1.8 percent.

Under the state plan, employees who began working after July 1, 1998, and work for 30 years will receive 54 percent of their average final salary at retirement.

The county plan would extend similar benefits to 4,800 supporting service workers, including bus drivers, cafeteria workers and maintenance workers who are not covered

by the state pension law.

The supplemental pension proposal, to be considered by the school board on Tuesday, would increase the multiplier for all school employees to 2 percent, allowing teachers and supporting service workers to receive 60 percent of their final average salary after 30 years.

"Even with that, our teachers get below the national average," said Michael L. Subin, chairman of the County Council's Education Committee. "All this will do is get them up to the national average, up to that 60 percent."

Taken by itself, Maryland's new formula places the state 32nd in the country for the portion of final average salary teachers receive as pension—even with Oklahoma, Washington and West Virginia and just above Washington, D.C.

Montgomery County's supplemental pension benefit gives the county a significant advantage, said Lewis A. Robinson, executive director of the Prince George's County teachers union.

"We would love to have something comparable to what they have in place," Robinson said. "It is something that gives them an advantage or an edge in the whole teacher retention piece and in recruitment."

Montgomery County is spending more than ever on compensation and benefits for county employees, according to a County Council report released last week. That includes \$35.9 million for retiree benefits for county school employees during the fiscal year that ends June 30.

"The quality of our workforce is second to none and our employees deserve a better pension benefit," Superintendent Jerry D. Weast said through a spokesman. "If we are going to keep our great employees and attract more high-quality people to work here, then we need to have a better pension benefit. My proposal will provide new employees with roughly 60 percent of their salary after 30 years of service and that will keep us competitive with the rest of the nation."

Montgomery County has neighbors outside the state to consider

when competing for quality teachers, said Patricia A. Foerster, president of the state teachers union, which fought in Annapolis this year for a pension plan that would give teachers statewide 60 percent of their final average salary after 30 years.

"Montgomery County has recognized that they are also losing educators to Northern Virginia, where people take a look at a higher salary and a better pension," Foerster said.

"Since we have to recruit more teachers than anyone in the state, we have to be the most attractive school system," said Montgomery County school board President Charles Haughey (At large) of Rockville. "In some ways, it's a symbolic measure that shows we value teachers and see the need to provide more equitable compensation."

An April 25 letter from Subin (D-At large) of Gaithersburg and Councilman Steven A. Silverman (D-At large) of Silver Spring to their council colleagues acknowledged the stiff competition for teachers in the metropolitan area.

"[Montgomery County Public Schools] has the challenge of recruiting and retaining teachers and other staff who find it difficult to afford living in the county," the letter stated. "MCPS competes directly with Fairfax County (Va.) Public Schools. The FCPS retirement system that is equal to 73.5 percent of the average final salary after a 30-year career. FCPS employees pay a 4 percent contribution for that benefit."

Under the state plan, teachers and state employees will contribute 3 percent of their annual pay in fiscal 2007, which begins July 1, 4 percent in fiscal 2008 and 5 percent in fiscal 2009.

Bringing all county school employees' pensions on par with the new state pension plan and providing the county supplement would cost from between \$11 million and \$13 million in fiscal 2007, according to Subin and Silverman's letter, although school officials said Weast will ask for \$13 million.

SWEETENING THE POT

County school employees could receive 10 percent of their final average salary—calculated from their pay for three consecutive years—under the supplemental pension formula the school board will vote on next week.

UNDER OLD STATE FORMULA

- Employees who began working after July 1, 1998, would receive 42 percent of their average final salary after a 30-year career.
- Employees who began working before July 1, 1998, would receive 37.6 percent of their average final salary after a 30-year career.

UNDER NEW STATE FORMULA

- Employees who began working after July 1, 1998, would receive 54 percent of their average final salary after a 30-year career.
- Employees who began working before July 1, 1998 would receive 40.8 percent of their average final salary after a 30-year career.

WITH COUNTY'S PROPOSED ADD-ON

- Teachers and supporting service workers who began working after July 1, 1998—including bus drivers, cafeteria workers and maintenance workers who are not covered by the state pension law—would receive 60 percent of their final average salary after 30 years.

SOURCE: MONTGOMERY COUNTY COUNCIL